

Coopersville Hardware & Farm Service, Inc.

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Secretary Jennifer Johnson
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

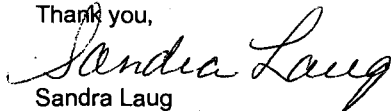
Dear Secretary Johnson:

The rate at which the debit and credit card transaction fees have gone up is ridiculous. As the manager of a small retail hardware store for twenty seven years, you learn a lot. You learn how to reduce expenses and keep prices at a reasonable and fair price for customers. If we were to raise our prices as the banks have raised the prices on debit and credit card transactions, we would no longer have customers. With the proposed legislation to cap debit card transactions, it looks as if someone else is learning that our small businesses simply cannot handle these enormous fees imposed upon us by the banks.

When credit cards first came out, we accepted them. Then the fees got too high and it did not make financial sense for us to accept them anymore. After the popularity of debit cards grew, we began accepting credit and debit cards again. About half of our customers now pay with debit and credit cards. Our swipe fees are currently about 15 cents per transaction plus a percentage. This adds up very quickly when you are a small business.

We all try to save pennies wherever we can. Saving even just a few cents per transaction would be huge for us. I know of one business not too far from us that has quit taking credit and debit cards altogether. They were losing too much money. This is the same for many small businesses. Small businesses everywhere are counting on this impending cap on debit interchange fees. In the future, we also encourage you to bring the credit card swipe fees back to a fair reasonable rate. Together, we can ensure that our small businesses can survive.

Thank you,


Sandra Laug

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